

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF WESTERN)	CASE NO. 90-013-B
KENTUCKY GAS COMPANY)	

O R D E R

On September 13, 1990, the Commission issued its Order in Case No. 90-013 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On January 2, 1991, Western Kentucky Gas Company ("Western") filed its quarterly GCA which is to become effective February 1, 1991 and is to remain in effect until April 30, 1991.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western's notice of January 2, 1991 set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on to its firm customers the wholesale increase in gas costs from its suppliers in the amount of 2.82 cents per Mcf, including take-or-pay billings. Western's expected gas cost for firm customers for the quarter beginning February 1, 1991 is \$3.4003 per Mcf which is a 3.41 cent per Mcf decrease from Western's base cost of firm gas.

Western also proposes to pass on to its interruptible customers the wholesale increase in gas costs in the amount of 4.92 cents per Mcf, including take-or-pay billings. Western's expected gas cost for interruptible customers for the quarter beginning February 1, 1991 is \$3.1641 per Mcf which is a 1.30 cent per Mcf decrease from Western's base cost of interruptible gas.

2. Western's notice set out a refund adjustment for sales customers in the amount of 21.79 cents per Mcf. The refundable amount is comprised of supplier refunds from Texas Gas Transmission Corporation ("Texas Gas") and carry-overs from previous refunds. Western is proposing to return Texas Gas' refund, including interest, to sales and transportation volumes as it was collected. The Commission considers this treatment appropriate.

3. Western's notice set out a current quarter actual adjustment in the amount of 1.34 cents per Mcf to compensate for under-recovery of gas cost by the Company through the operation of its gas cost recovery procedure during the months of August, September, and October 1990. The total actual adjustment is (6.01) cents per Mcf, and is designed to correct the current under-recovery as well as under- and over-collections from three previous quarters.

4. Western's notice set out a balance adjustment in the amount of 1.4 cents per Mcf, which replaces the previous adjustment of (.01) cents per Mcf. This balance adjustment compensates for under-collections which occurred as a result of previous actual and balance adjustments.

5. Western proposed a GCA of (29.81) cents per Mcf for firm customers and (27.70) cents per Mcf for interruptible customers, which represent the combined effect of the supplier increase, and the refund, actual, and balancing adjustments.

6. Western's adjustment in rates under the provisions approved by the Commission in its Order in Case No. 90-013 dated September 13, 1990, is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after February 1, 1991.

7. Western's filing of January 2, 1991 included supplementary information concerning its actual adjustment for which it requested confidentiality. Confidentiality should be granted based on Western's showing of the likelihood of competitive injury.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after February 1, 1991.

2. The GCA shall be (29.81) cents per Mcf for firm customers and (27.70) cents per Mcf for interruptible customers effective with final meter readings on and after February 1, 1991.


3. Within 30 days of the date of this Order, Western shall file with this Commission its revised tariffs setting out the rates authorized herein.


4. Western's supplemental information shall be accorded confidential treatment.

Done at Frankfort, Kentucky, this 28th day of January, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-013-B DATED 1/28/91

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.2981) per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.2770) per Mcf of gas used during the billing period.

The rate for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

Texas Gas Transmission Corp.

	<u>Demand-1</u>	<u>Demand-2</u>	<u>Commodity</u>	
G-2	\$3.44	\$.1187	\$2.9345	
G-3	3.65	.1374	2.9835	
G-4	3.81	.1440	2.9952	
		<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
Other Purchases		2.1722	2.1922	2.2022

Tennessee Gas Pipeline Co.

	<u>Commodity</u>	<u>Gas Rate</u>
GS-2	.5572/Dth	3.2543
Other Purchases	2.00	
Local Producers	2.7582/Dth	